

Performance measures – Brand Inspection Bureau FY2019 Budget Request

The Legislature intends that the Department of Agriculture and Food set performance measures for budget requests to the specific program of Livestock Inspection whose mission is to deny a market to potential thieves & to detect the true owners of livestock. It is the mission of the Livestock Inspection Bureau to provide quality and timely service to the livestock men and women of the state, in an effort to protect the cattle and horse industry from theft and disease. The following are the performance measures: Detect the true owners of livestock before they are legally allowed to be sold, shipped out of state, or sent to slaughter (Target = 100%); Return of branded estrays to rightful owner within 10 days (Target = 80%); proceeds from sale of estrays returned to rightful owner within one year (Target = 50%); Verify compliance with state livestock health laws (Target = 100%). See Table 1.

Background:

Inspectors verify proper ownership of livestock before they are legally allowed to be sold, shipped out of state, or sent to slaughter. We respond to reports of lost, found, or stolen livestock. It is illegal for producers to move cattle or horses outside of the state without a current Brand Inspection. If producers are caught in other states without adequate paperwork their livestock and their vehicles may be impounded. Brand Inspections are vital for the continued commerce of the \$1.1 Billion dollar livestock industry in the state.

Based on program successes over the past four years, compliance with Utah laws is at an all-time high. Livestock Markets are such that there is no longer a “slow” time for marketing livestock. What this means is that Brand Inspectors have done more brand inspections on a larger number of livestock each year. Each of the five weekly livestock auction markets in the state continue to be busy each and every week without a big decrease in livestock marketed. We are also experiencing an increase in the number of temporary sales that are held on weekends, these sales, especially horse sales, are a huge cost in manpower. Inspectors have worked approximately 100 temporary sales in 2017. This includes county and state fairs. These sales require multiple inspectors to be in attendance at the sale for an entire day for each sale. With the local inspectors staffing the sale, if a regular brand inspection is required then a brand inspector from another county is called to travel much greater distances to fulfill the regular duties. These issues are snowballing and creating a larger and larger problem. The total number of hours worked has increased as the compliance rate has grown, In 2015 the Brand Inspection Program worked 35825 man hours, in 2016 they worked 36723 hours and in 2017 they worked 40698 hours. Overtime has become an issue as well as in 2016 inspectors worked 2486 hours of overtime and in 2017 they worked 2605 hours of overtime. The reason is in 2012, the bureau noticed an upward trend in the number of missing livestock and missing livestock reports. There was also a downward trend in the number of inspections being completed. The Bureau decided to take a more proactive approach to our job duties. We began advocating and presenting educational courses. We began a statewide surveillance plan. Having a presence at Ports of Entry, Rodeos, Shows, etc. Letters to associations, clubs, rescues, law enforcement, etc. Opportunities: the inspectors have been told that they should never pass on an educational opportunity. Inspection numbers FY 2012 – 487,150 head inspected and 1191 lifetimes; FY 2013 – 491,203 head inspected and 1192 lifetimes; FY 2014 – 790,00 head inspected Over 45,000 certificates issued and 1890 lifetimes; FY 2015 – almost 600,000 individual cattle, horses, sheep, and elk inspected over 23,000 inspection certificates, and issued lifetimes; 2520 FY 2016 – 780,000 head inspected, 28690 inspection certificates. Missing Livestock 2013: 31 reports 728 head, 2014: 51 total

reports 374 head 2015: 43 total reports and 253 head reported missing. This resulted in a 66% drop in missing livestock since 2013. However, the problem is that because the fees associated with the Brand Inspection do not cover the cost of the inspection, with significant increases in the total number of brand Inspections and drastic increases in temporary sales. The more inspections that are done only digs the program deeper into a financial hole. Due to statutory language, if these Brand Inspections are not completed commerce will completely stop in the livestock industry around the state. These animals would not be able to be sold or shipped legally out of state without a Brand Inspection that would cripple rural Utah's economies. Multiple research studies around the country identify the value of livestock to the local economy to be \$100 per animal per month. With 926,000 cows in the state that total impact to the Utah economy is \$1.1 Billion.

New funding will be used to cover the increased program costs. The program will need to keep the same resources that currently exist. Because this program is an on-call service and is statutorily required before livestock can be shipped out of state, sold, or slaughtered; the inspection staff will need to be able to cover the areas and producers needing an inspection. We do not expect that inspection numbers will change significantly, unless the inspections numbers go up as they have the last three years, which will cause an increased cost in inspection personnel cost. Any loss of resources would cause the program to fail to be able to protect the livestock industry and allow livestock to enter into commerce, at least in a timely fashion. We will continue to investigate policies and procedures that will lower inspection time and cost without jeopardizing the goal of the program, which is to protect the livestock industry from theft and disease.

Budget:

	FY 2018	FY 2019
Expenses		
Personal Services	\$500,000	\$600,000
Current Expenses	\$100,000	\$200,000
Funding:		
General Fund	\$600,000	
Dedicated Credits		\$800,000

If the program continues to work the amounts of inspections it has while at the same time charging which only pay for 42% of the expenses and not general funds the program will not be able to continue. Even though the revenue projections do not show sufficient funds to staff the program for FY18, if this program were to disappear prior to the end of the fiscal year there would be an even larger budget hole to fill. A disproportionate percentage of the revenue for the program comes in during the fourth quarter. Without inspectors collecting the fees, the already bleak projections look even worse.

Table 1.

GOALS	MEASURE	CHARACTERISTICS	PERFORMANCE MEASURE
Brand Inspections	Detect the true owners of livestock before they are legally allowed to be sold, shipped out of state, or sent to slaughter	Brand Inspections are required when selling, shipping out of state or slaughtering livestock. Brand inspectors are contacted by owners and are stationed at auctions and special sales in order to perform the inspection	100% of livestock being sold, shipped, or slaughtered are inspected
Identifiable estrays	Return of branded estrays to rightful owner within 10 days	Livestock that has escaped confinement or were unable to be rounded up, but have a Utah registered brand or earmark allowing identification of the owner	Return 80% of identifiable estrays to rightful owner within 10 days of locating the animal
Unidentifiable estrays	Proceeds from sale of estrays returned to rightful owner within one year	Livestock that has escaped confinement or were unable to be rounded up, and do not have a Utah registered brand or earmark making the identification of the owner problematic	Return 50% of the proceeds from unidentifiable estrays to proven owners within 1 year of discovery.
Livestock Health	Verify compliance with state livestock health laws	Verify compliance of Health papers on livestock shipped into Utah. Confirm Utah Livestock are tested or vaccinated according to state law	100% of livestock shipped into the state meets import health requirements and that Utah Livestock meet Health rules.
Theft Deterrent	deny a market to potential thieves and proactively deter theft of livestock	a statewide surveillance plan. Having a presence at Ports of Entry, Rodeos, Shows, & Allotments. Working with Local Law Enforcement agencies. Education of public	Continued decrease in missing livestock and increase in number of inspections.